

Worker's Compensation Fund

MISSION STATEMENT

It is the mission of the Worker's Compensation Fund to provide for all administrative, reinsurance and benefit expenses associated with employees' worker's compensation claims.

PRIMARY FUNCTIONS

The primary function is to account for all workers' compensation expenditures. The City operates a self-insured worker's compensation program with financing provided by premiums charged to departments based on job type and likelihood of injury.

WORKER'S COMPENSATION FUND BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$1,861,721	\$2,586,971	\$1,950,496	\$2,665,179	\$78,208
OTHER EXPENSE	<u>83,500</u>	<u>92,400</u>	<u>92,400</u>	<u>85,900</u>	<u>(6,500)</u>
TOTAL	<u>\$1,945,221</u>	<u>\$2,679,371</u>	<u>\$2,042,896</u>	<u>\$2,751,079</u>	<u>\$71,708</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
GENERAL FUND TRANSFERS	\$2,525,473	\$2,423,945	\$2,401,743	\$2,396,326	<u>(\$5,417)</u>
OTHER FUND TRANSFERS	294,712	269,609	277,378	263,715	<u>(13,663)</u>
REIMBURSEMENTS	53,278	23,676	0	0	0
INTEREST INCOME	<u>62,262</u>	<u>39,559</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
TOTAL	<u>\$2,935,725</u>	<u>\$2,756,789</u>	<u>\$2,694,121</u>	<u>\$2,675,041</u>	<u>(\$19,080)</u>

BUDGET HIGHLIGHTS

- Rates were decreased 4% in 2014 due to positive fund performance and an acceptable fund balance, and to help address a general fund deficit.
- With a fund deficit of \$3.0 million at the end of 2010, a \$1.6 million surcharge was assessed to all participating funds in 2010. An additional surcharge was assessed at the end of 2011, \$656,000, to bring the fund to a positive fund balance at the start of 2012.
- The property tax rate for worker's compensation, collected in the general fund, is unlimited by statute. The 2013 estimated rate is 13.99 cents, 1.12 cents higher than the previous 12.87 cents.

WORKER'S COMPENSATION FUND FIVE YEAR FINANCIAL FORECAST (IN \$000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$2,901	\$3,045	\$3,197	\$3,356	\$3,523
Expenses	<u>2,889</u>	<u>3,033</u>	<u>3,185</u>	<u>3,344</u>	<u>3,511</u>
Excess (Deficit)	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Beginning Balance	<u>730,482</u>	<u>730,494</u>	<u>730,506</u>	<u>730,518</u>	<u>730,530</u>
Ending Balance	<u>\$730,494</u>	<u>\$730,506</u>	<u>\$730,518</u>	<u>\$730,530</u>	<u>\$730,542</u>
Expense Rate Change	5%	5%	5%	5%	5%

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The 2015-2019 five-year forecast assumes that worker's compensation costs will increase five percent annually and that premiums will be increased 5% annually to keep pace with expense growth.